

Message Text

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43

ACTION ARA-10

INFO OCT-01 AF-10 ISO-00 EB-06 PA-02 PRS-01 INR-07 USIA-15

RSC-01 AGR-10 TRSE-00 /063 W
----- 038892

R 292218Z OCT 74

FM AMEMBASSY BOGOTA

TO USDOC WASHDC

INFO SECSTATE WASHDC 5487

AMEMBASSY NAIROBI

AMEMBASSY CARACAS

AMCONSUL CALI

AMCONSUL MEDELLIN

UNCLAS SECTION 1 OF 2 BOGOTA 9623

E.O. 11652: NA

TAGS: BEXP, CO, VE, KE

SUBJECT: EVALUATION OF US GOVERNMENT PARTICIPATION IN X-INTER
NATIONAL FAIR OF BOGOTA AND RESULTING POLICY RECOMMENDATIONS.

SUMMARY AND POLICY RECOMMENDATIONS.

THE SUCCESS OF THE US PARTICIPATION IN THE X-INTERNATIONAL
FAIR OF BOGOTA, HELD JULY 13-28 1974 VALIDATES THE EMBASSY'S
DECISION TO INITIATE THE FIRST OFFICIAL US PAVILION IN THE
BIENNIAL EVENT AND INDICATES THE DESIRABILITY OF ESTABLISH-
ING A COMMERCIAL EXHIBITION STRATEGY FOR INCORPORATION INTO
THE COUNTRY COMMERCIAL PROGRAM (CCP). END OF SUMMARY.

2. EVALUATION FORMS COMPLETED AND RETURNED BY 65 OF THE 68
EXHIBITOR IN THE US PAVILION INDICATE SALES OFF-THE-FLOOR
OF \$4.2 MILLION (MORE THAN TWICE THE \$2.0 MILLION VALUE
PREDICTED PRIOR TO THE FAIR), PLUS SALES OF AN ADDITIONAL
\$18.0 MILLION ANTICIPATED OVER THE SUBSEQUENT 12 MONTHS,
FOR AN AGGREGATE SALES TOTAL OF \$22.2 MILLION.

THE LATTER FIGURE UNDOUBTEDLY UNDERSTATES THE VALUE OF
AGGREGATE SALES ATTRIBUTABLE TO THE PAVILION AS IT DOES
NOT INCLUDE (A) SALES MADE BY THE THREE NON-REPORTING
EXHIBITORS (B) SALES MADE BY EXHIBITORS WHO, INSTEAD
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OF TAKING ORDERS IN THEIR BOOTHS, REFERRED INTERESTED

CUSTOMERS TO LOCAL RETAIL OUTLETS, (C) INTRODUCING A NEW PRODUCT OR PRODUCT-LINE, (D) PUBLIC RELATIONS, AND FINALLY (E) EQUIPMENT SOLD PRIOR TO THE OPENING OF THE FAIR. WITHIN THE CONTEXT OF THE US-COLOMBIAN BALANCE OF TRADE, THE AGGREGATE SALES TOTAL OF \$22.2 MILLION IS EQUIVALENT TO 4.2 PERCENT OF TOTAL US EXPORTS TO COLOMBIA IN 1973. ALTERNATIVELY, THE \$22.2 MILLION IS EQUIVALENT TO 4.5 PERCENT OF COLOMBIA'S TOTAL INDUSTRIAL IMPORTS IN 1973. AGGREGATE SALES ACHIEVED BY EXHIBITORS IN THE US PAVILION SHOULD RESULT IN AN INCREASED US MARKET SHARE. EQUALLY NOTEWORTHY, THE 20 NEW-TO-MARKET (NTM) AND/OR NEW-TO-EXPORT (NTE) FIRMS PARTICIPATING IN THE PAVILION ACCOUNTED FOR \$5.5 MILLION OR 27 PERCENT OF AGGREGATE SALES. FINALLY, 50 PARTICIPANTS (OF THE 65 EXHIBITORS RETURNING EVALUATIONS) INDICATED FULL ACHIEVEMENT OF THEIR PRINCIPAL PARTICIPATORY OBJECTIVE, 14 INDICATED PARTIAL ACHIEVEMENT WITH THE REMAINING RESPONDEE PROVIDING NO INDICATION.

2. USING THE AGGREGATE SALES TOTAL OF \$22.2 MILLION AS A BASIS, AVERAGE SALES RETURNS PER DOLLAR EXPENDITURE WHERE: US GOVERNMENT \$731.00 EXHIBITORS \$238.00 AND THE PAVILION AS A WHOLE \$180.00.

3. SUBJECTIVE AND QUALITATIVE IMPRESSIONS INDICATE THAT THE US PAVILION WAS AT LEAST AS SUCCESSFUL IN A POLITICAL SENSE AS IT WAS IN A COMMERCIAL SENSE. FOR EXAMPLE, FAIR AUTHORITIES INTERPRET THIS YEARS PARTICIPATION BY THE US AS A MAJOR STEP IN ACHIEVING ENHANCED ANDEAN STATUS FOR THE INTERNATIONAL FAIR OF BOGOTA IN COMPETITION WITH LIMA'S LARGER FAIR OF THE PACIFIC.

4. BACKED BY THE FULL RESOURCES OF THE EMBASSY (ESPECIALLY USIS MEDIA PROMOTION), AND WITH THE SUPPORTING ASSISTANCE OF THE DEPARTMENT OF COMMERCE AND THE COLOMBIAN-AMERICAN CHAMBER OF COMMERCE, RECRUITMENT OF EXHIBITORS FOR THE US PAVILION WAS BEGUN IN DECEMBER 1973 AND COMPLETED BY JUNE 1974, A MONTH AND A HALF PRIOR TO OPENING DAY. THE PRINCIPAL INCENTIVES OPERATING TO ENCOURAGE PARTICIPATION IN THE FAIR WERE AN EXEMPTION FROM THE UNCLASSIFIED

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NORMAL 40 PERCENT ADVANCE PAYMENT IN IMPORTS AND A RELATIVELY EXPEDIENT IMPORT LICENSE PROCEDURE ADMINISTERED THROUGH THE FAIR MANAGEMENT THE CORPORACION DE FERIAS Y EXPOSICIONES. WITH RESPECT TO THE USPAVILION THE PRINCIPAL INCENTIVES TO PARTICIPATION WERE IMAGE AND COMPARATIVELY LOW COSTS.

5. MUCH OF THE SUCCESS ATTRIBUTED TO THE PAVILION WAS

DUE TO THE EFFORTS OF USIS-BOGOTA AND THE SUPPORTING ASSISTANCE PROVIDED BY THE DEPARTMENT OF COMMERCE AND THE COLOMBIAN-AMERICAN CHAMBER OF COMMERCE. USIS PROVIDED EXTENSIVE AND TIMELY MEDIA COVERAGE, A CROWD-DRAWING AND HIGHLY PHOTOGENIC CENTERPIECE, A SLIDE SHOW OF THE PAVILION FOR FUTURE PROMOTIONS, A PHOTOGRAPHY EXHIBIT FOR DISPLSHBLMVT BUSINESSMEN'S LOUNGE, COORDINATION BETWEEN EXHIBITORS AND NEWS MEDIA REPRESENTATIVES AND FINALLY, THE COMPOSING AND PLACEMENT OF SPOT NEWSPAPER ARTICLES HIGHLIGHTING THOSE PRODUCTS WHICH, FOR ONE REASON OR ANOTHER, WERE NOT SELLING AS WELL AS EXPECTED. THE DEPARTMENT OF COMMERCE PROVIDED \$4,800.00 TO THE ADMINISTRATIVE FUND (THEREBY LARGELY OFFSETTING A 36 PERCENT REDUCTION IN THE ADMINISTRATIVE BUDGET MADE IN RESPONSE TO EXHIBITOR APPEALS), A PROFESSIONAL PAVILION DESIGNER, TIMELY TECHNICAL COUNSELING, STATESIDE PROMOTION AND A TRIP TO CARACAS FOR THE PAVILION DIRECTOR TO OBSERVE A DEPARTMENT OF COMMERCE SOLO EXHIBITON. THE COLOMBIAN-AMERICAN CHAMBER OF COMMERCE, IN ADDITION TO PARTICIPATING AS AN EXHIBITOR, PROVIDED CONSIDERABLE

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INFO OCT-01 AF-10 ISO-00 EB-06 PA-02 PRS-01 INR-07 USIA-15

AGR-10 TRSE-00 RSC-01 /063 W
----- 039465

R 292218Z OCT 74
FM AMEMBASSY BOGOTA
TO USDOC WASHDC
INFO SECSTATE WASHDC 5488
AMEMBASSY NAIROBI
AMCBASSY CARACAS
AMCONSUL CALI
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PUBLICITY AND PROMOTION AS WELL AS COORDINATION BETWEEN EXHIBITORS AND COMMERCIAL ADVERTISING AGENTS. MOREOVER THE DIRECTOR OF THE

CHAMBER PLAYED A KEY ROLE WITHIN THE US PAVILION ADVISORY COMMITTEE-USPAC.

6. ALTHOUGH INITIALLY ENCOMPASSING A RELATIVELY MODEST 1,400 M2 AT THE REAR OF THE FAIR'S INTERNATIONAL PAVILION, THE SITE OF THE US PAVILION WAS SUBSEQUENTLY SHIFTED TO AN INDEPENDENT STRUCTURE ENCOMPASSING 2,300 M2 WHICH, IN TURN, WAS EXPANDED TO 3,456 M2, OR A GROSS AREA 2.5 TIMES THE ORIGINAL SITE. AS A RESULT OF THE LATTER EXPANSION THE US PAVILION BECAME THE LARGEST FOREIGN NATIONAL PAVILION IN THE X-INTERNATIONAL FAIR. DAILY ATTENDANCE AVERAGED AN ESTIMATED 65,000 PERSONS FOR A TOTAL OF OVER ONE MILLION VISITORS OR 80 PERCENT OF GROSS FAIR ATTENDANCE. THE PAVILION CATALOGUE LISTED OVER 300 INDIVIDUAL PRODUCTS (EACH OF WHICH HAD TO INCORPORATE AT LEAST 33.3 PERCENT US ORIGIN COMPONENTS) WHICH WERE EXHIBITED ON THE FLOOR OF THE PAVILION WITH AN AGGREGATE VALUE OF OVER \$2.0 MILLION. PRODUCTS RANGED IN VARIETY, SIZE AND VALUE FROM A \$75,000.00 EXCAVATOR TO A \$.50 ROLL OF MASKING TAPE. OWING TO THE SIZE AND COMPLEXITY OF THE PAVILION, A STAFF OF 58 WAS EMPLOYED TO ADMINISTER, RECEIVE AND DIRECT VISITORS, AND PERFORM MAINTENANCE, GUARD AND CLEANING

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SERVICES.

7. TOTAL COST OF THE PAVILION, INCLUDING SALARY COSTS OF US GOVT EMPLOYEES, WAS \$127,679.00 OF WHICH EXHIBITORS PAID \$97,321.00 (76 PERCENT) AND THE US GOVT \$30,358.00 (24 PERCENT). THE US GOVT EXPENDITURE OF \$30,358.00 WAS PROPORTIONED AS FOLLOWS: USIS \$12,788.00 (42 PERCENT); STATE \$12,310.00 (41 PERCENT) AND COMMERCE \$5,206.00 (17 PERCENT). COST PER M2 OF NET INTERIOR SPACE (2003 M2) AVERAGED \$61.07, A FIGURE WELL BELOW THE \$68.00 PER M2 CHARGED FOR SPACE IN THE FAIR'S LARGEST PAVILION-THE COLOMBIAN NATIONAL PAVILION.

8. IN LARGE MEASURE AS A RESULT OF THE EVALUATION OUTLINED HEREIN, IT IS RECOMMENDED (1) THAT FULLER ADVANTAGE BE TAKEN OF THE EXPORT PROMOTION POTENTIAL OF COMMERCIAL EXPOSITIONS HELD IN COLOMBIA BY FORMALLY INCORPORATING INTO THE COUNTRY COMMERCIAL PROGRAM (CCP) A COMMERCIAL-EXPOSITION STRATEGY CONSISTING OF (A) AN EMB-ORGANIZED AND PREDOMINANTLY LOCALLY PROCURED US PAVILION IN THE INTERNATIONAL FAIR OF BOGOTA, ENCOMPASSING A GENERAL INDUSTRIAL AND AGRICULTURAL PRODUCT THEME, ALTERNATING WITH (B) A USDOC-ORGANIZED AND PREDOMINANTLY STATESIDE PROCURED SOLO EXHIBITION ENCOMPASSING, EITHER A GENERAL INDUSTRIAL AND AGRICULTURAL THEME, OR A SPECIALIZED PRODUCT THEME, DEPENDING ON PREVAILING ECONOMIC/COMMERCIAL CIRCUMSTANCES AND SALES RESULTS OF THE PRECEDING US PAVILION, (2) THAT THE US GOVT OFFICIALLY PARTICIPATE IN THE XI-INTERNATIONAL FAIR OF BOGOTA SCHEDULED FOR JULY 10-25, 1976 (3) THAT THE LATTER PARTICIPATION BE ORGANIZED BY THE EMB WITH FINANCIAL SUPPORT FROM USDOC EQUIVALENT

TO 33.3 PERCENT OF THE PROJECTED ADMIN BUDGET, (4) THAT THE EMB
EXPLORE WITH PROEXPO THE POSSIBILITY OF ESTABLISHING A STAND WITHIN
THE PROPOSED 1976 US PAVILION FOR THE PURPOSE OF SERVICING US
IMPORTERS INTERESTED IN COLOMBIAN EXPORTS AND FINALLY (5) THAT
USIA WASHINGTON, WITH SUPPORT FROM USIS BOGOTA, BE REQUESTED
TO ASSUME RESPONSIBILITY FOR DESIGN AND SUPERVISING CONSTRUCTION
OF PAVILION FACADE AS WELL AS ACQUISITION OF CENTERPIECE,
WITH BOTH FACADE AND CENTERPIECE REFLECTING USA BICENTENNIAL
THEME. DETAILED EVAL TO FOL BY AIRGRAM. WHITE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BOGOTA09623
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740310-0018
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741011/aaaaaiza.tel
Line Count: 232
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAR 2002 by chappeld>; APPROVED <11 FEB 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EVALUATION OF US GOVERNMENT PARTICIPATION IN X-INTER NATIONAL FAIR OF BOGOTA AND RESULTING POLICY RECOMMENDATIONS.
TAGS: BEXP, CO, VE, KE
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005